

13 APR 1987

MEMORANDUM FOR: Chief, Management Staff, DA

FROM: John M. Ray
Director of Logistics

SUBJECT: April 1987 Comptroller Meeting

REFERENCES: A. Memo for DL from DDA, dtd 15 Oct 1986,
Same Subject
B. Note for DDA from C/MS/DA, dtd 25 Mar 1987

1. In accordance with reference instructions, we have reviewed the specified SOC's in the personal services arena and determined that operating funds for SOC's 1204 and 1205 should be sufficient to cover our requirements. The Office of Logistics (OL) has no requirements for SOC's 1152, 1208 or 1302. We also would like to note that although overtime resources are projected to be adequate, Printing and Photography Division personnel have been required to work considerable amounts of unplanned overtime in order to respond to tasking related to queries from investigating committees.

SOC	OPR-AMT	CUM OBL	PROJ OBL THRU 30 SEPT	TOTAL RQMT	DIFF
[Redacted]					

2. OL has not identified any surplus nonpersonal services funds other than those identified to cover unfunded costs associated with

3. OL has a pressing unfunded requirement at this time. The Headquarters classified waste disposal system (Somat) has been in operation since the mid-60's and is in need of upgrade due to fatigue in the piping system and general wear and tear. Somat is limited to soluble paper products only and must operate at maximum capacity to handle the average 8-9 tons per day. In the event of a breakdown, the Hammerhill grind process or an outside government burn facility must be utilized. Neither of these alternatives are considered desirable and the Hammerhill process, in particular, is considered unreliable and potentially dangerous. A review of alternative systems has concluded that incineration with energy recovery is the most efficient and cost effective solution. The incineration option provides the Agency with total disposal capability (soluble and nonsoluble disposal), will allow for

S E C R E T

OL 1031-87

SUBJECT: April 1987 Comptroller Meeting

replacement of the Hammerhill system and will generate steam to reduce utility costs. The Somat system could then be phased into a backup role. Construction of a limited incineration system would require additional resources of \$1,470,000 in FY 87. We are scheduled to brief the Deputy Director for Administration, in detail, on this requirement later this month. We have previously raised this issue with him, suggesting that funds be made available from the New Headquarters Building Construction funds.

25X1 As of 31 March 1987, OL has recorded approximately
 25X1 [redacted] in commitments and obligations against the [redacted]
 25X1 [redacted] Obligations/commitments have been recorded
 25X1 as follows:

Wang Grid
 Communications:
 CONTEL
 MCI
 FACC
 Ford Aerospace
 General Electric
 Building B Construction
 Allied Trailer
 Elrich Const. Co.
 A&E Design
 GE Buy-out
 Furn. storage
 Install alarms
 Procurement supplies & equipment

25X1 TOTAL OBLIGATIONS

John M. Ray

Attachments:
 References A & B

25X1 OL/B&F [redacted]

Distribution:
 Orig & 1 - Addressee, w/atts.
 2 - OL Files, w/atts.
 1 - OL/B&F Chrono, w/o atts.
 1 - OL/B&F Official, w/atts.

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Att. A

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15 October 1986

MEMORANDUM FOR: Director of Logistics

FROM: William F. Donnelly
Deputy Director of Administration

SUBJECT: Financial Guidance for FY 1987

REFERENCE: DDA 86-1641, dated 25 September 1986

1. As agreed at the Comptroller's meeting on 22 September 1986, temporary allocations are being issued which withhold funds from our 1987 budget request to cover congressional cuts, Agency unfunded requirements and unallocated reductions. The 1987 program levels for your office are as follows:

25X1 Personal Services

Nonpersonal Services

Total

25X1 (The above total also includes [redacted] Your position ceiling and FTE and related funding adjustments will be provided after congressional and EXCOM actions are completed on our 1987 budget. The above information is being provided as your "Temporary Allocation." No "Blue Chip" will be issued, and no adjustments to FRS should be made at this time.

2. The attachment provides the "Financial Guidelines for Executing the 1987 Program" issued by the Executive Director on 3 October 1986. These guidelines are intended to provide necessary flexibility for you to execute your planned program and at the same time ensure that: (a) significant unavoidable costs, such as personal services and State reimbursements, are covered; (b) notification and approval requirements imposed by our external reviewers are satisfied; (c) heavy year-end funding is avoided; and (d) significant adjustments to the approved program are assessed in an Agency-wide perspective.

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3. Additions to the attachment applying to the Directorate are as follows:

a. Reprogramming: As noted, proposals to shift nonpersonal services funds in amounts of \$250,000 or more require Comptroller approval. At the Directorate level, proposals to shift nonpersonal services funds in amounts of \$150,000 or more require my approval.

b. Comptroller's Meetings: We will advise you when Comptroller's meetings are scheduled and if any additional information will be required. The requested information for the Comptroller's meeting is to be forwarded, preferably via AIM or WANG, to the DDA/Management Staff the eighth work day of each month.

c. Personal Services Funds and FTE: Estimated personal services funds requirements and projected FTE usage will normally be compiled by the Management Staff. There are a few selected SOC's on which we will be asking you to provide data. When this data is requested, please use the following format:

<u>SOC</u>	<u>OPR-AMT</u>	<u>CUM OBLI</u>	<u>PROJ OBLI</u> <u>THRU 30 SEPT</u>	<u>TOTAL</u> <u>REQMT</u>	<u>DIFF</u>
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Your breakdown should be followed by a brief explanation of amount(s) reflected in the DIFFERENCE column (either projected savings or deficit).

(d) Obligation/Commitment Plan: Please forward a detailed explanation supporting deviations from your plan. This data is necessary to analyze your activities and/or respond to questions from the Comptroller's office.

4. Our current FY 1987 operating budget (less reductions) does not provide much flexibility to cover additional Directorate unfunded requirements. You are expected to "make do" with the resources currently available by prioritizing requirements and using available resources as efficiently as possible.

5. Please ensure that a copy of this memorandum is given to your plans and budget officers.

25X1 6. Any questions on the above can be directed to [] (DDA/MS secure
25X1 [] (DDA/MS secure []).

25X1

[]
William F. Donnelly

Attachment

ATTACHMENT

Financial Guidelines for Executing the 1987 Program

Allotments

- A. Allotments will be issued by the Office of the Comptroller at the directorate level and will subdivide resources into (a) personal services, (b) nonpersonal services, and (c) property requisitioning authority. In certain cases, such as Reserve releases, restricted allotments will be issued covering specific projects.
- B. Directorates will issue office suballotments to appropriately control the use of funds within their purview.

Operating Programs

Records and controls over resources will be maintained by component, project number (FAN), and subobject class. Obligations within a FAN account should not exceed the operating amount. Similarly, obligations within an office ~~for~~ a given subobject class should not exceed the operating amount for that SOC. Adjustments to the operating amount, including any necessary reprogramming approvals, should be made prior to incurring obligations which exceed operating amounts.

Reprogrammings

A. Nonpersonal Services

1. The base from which reprogramming will be judged is the resource data to be reflected in the 1987 column of the 1988 Congressional Budget.
2. This data will become the operating budget (operating amount column) in the Financial Resources System (FRS) and should be reflected in the January Trend Reports.
3. The following reprogramming actions and funding changes must be submitted to the Comptroller for approval:
 - a. Proposals to shift nonpersonal services funds in amounts of \$250,000 or more between major object classes or FANs, and within major object classes (particularly MOC 2500) where the purpose of the planned obligation is different from that initially budgeted. Comptroller approval is not required for adjustments between object classes for supplies and equipment (26 and 31) of a purely technical nature where funds are expanded for essentially the same purpose as they were budgeted.

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c. Proposals requiring congressional action. These proposals will be forwarded by the Comptroller to the DCI, who must approve all actions requiring congressional notification or approval. Congressional notification and/or approval is required when reprogramming involves:

-- Any activity which is politically sensitive or which could potentially be embarrassing to the US.

-- Any item designated by Congress as being of special congressional interest



-- Any activity that has been specifically limited or denied by congressional action.

-- Any proposed significant activity not specifically authorized by Congress.

-- Any increase of \$10 million or more in procurement or \$5 million in operations and maintenance costs (including personal services).

-- Any increase in R&D programs of \$4 million or more.

-- Any below-threshold action involving a new program that will result in significant follow-on costs.

4. Proposed reprogramming requiring Comptroller approval should be requested or concurred in by the appropriate Deputy Director and should identify:

a. The FAN accounts/SOCs affected.

b. A description of the requirement for which funding is being requested.

c. The impact on the program or activity from which funds are being programmed.

d. The effect, if any, on subsequent year budgets.

B. Personal Services Funds

1. Directorates may reprogram personal services funds between components to meet projected personal services needs. Operating budgets must be adjusted continuously throughout the year to accurately reflect projected personal services requirements and to facilitate monitoring.
2. Personal services funds may not be reprogrammed to nonpersonal services object classes without prior approval of the Comptroller.

Property Requisitioning Authority

- A. All requests for conversion of funds to PRA or vice versa must be submitted to the Comptroller's Office stating the requesting component, dollar amount, and reason for conversion.
- B. After 30 June 1987, conversion will be allowed only in exceptional circumstances and must be requested by the appropriate Deputy Director. There will be no conversions after 1 September except to cover price increases on requisitions processed prior to that time or to cover yearend reprogramming approved by the Comptroller.

Comptroller's Meetings

In preparation for Comptroller Meetings, the directorates will provide the Comptroller with an operating budget status report by the tenth working day of the month in which the meeting is scheduled. The report will contain:

- Estimated directorate personal services requirements for both funds (by subobject class) and FTE (showing both FTP and T/PT personnel) projected to yearend.
- Surplus nonpersonal services funds or savings available for uses other than originally budgeted.
- Status of obligations and commitments on specific activities identified by the Comptroller prior to the monthly meetings.
- Unfunded requirements in excess of \$250,000 (\$100,000 for the DCI Area) which cannot be covered by directorate reprogramming. The requirements should be described and listed in rank order (highest priority first). Descriptions should be sufficient to permit a determination of the relative merits of the requirement and its importance in the overall Agency mission. Note those which clearly are considered nondiscretionary (i.e., which must be funded) and the date by which funds must be made available.

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Obligation Plans

To ensure against unnecessary yearend spending, directorates are to provide the Comptroller by 30 November 1986, a quarterly obligation plan covering the following:

- 2530 -- Research, Development, and Engineering (RD&E)
- 2533 -- Technology Development
- 2534 -- External Analysis
- 2540 -- Miscellaneous Contractual Services - Other Nongovernment
- 2600 -- Supplies and Materials
- 3100 -- Equipment

These plans, using the format attached, should be consistent with programmed operations for 1987 and to the extent possible should provide for a relatively even distribution of projected obligations in each of the four quarters. In no case should fourth quarter obligations be planned to significantly exceed the average for the first three quarters. Progress against these plans will be closely monitored by the Comptroller and will be reviewed at the Comptroller Meetings. At the end of the third quarter, funds not obligated/committed pursuant to these plans will be considered for use for other purposes.

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Expenditure Center _____

FY 1987 Quarterly Obligation/Commitment Plan
(Dollars in Thousands)

<u>Object/Sub-</u> <u>Object Class</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2530					
2533					
2534					
2540					
26					
31	_____	_____	_____	_____	_____
TOTAL					

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Directorate of _____

SUMMARYFY 1987 Quarterly Obligation/Commitment
(Dollars in Thousands)

<u>Object/Sub-</u> <u>Object Class</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
2530					
2533					
2534					
2540					
26					
31					
TOTAL	_____	_____	_____	_____	_____

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Att. B

DATE: March 25, 1987

NOTE TO: ODA Budget Officers

SUBJECT: April 87 ~~Comptroller~~ M

Ref: DDA 86-1750, dated 15 Oct 1986

1. A Comptroller's meeting is scheduled for 21 April to discuss where we are in 1987. Refer to Reference for guidance. In the personal services arena we will need your input for SOC's 1152, 1204, 1205, 1208, and 1302. Follow precisely the format shown in Para 3c of reference.

2. Recently we asked you to submit an Obligation/Commitment Plan. This Plan was based on your OPERATING budget as of 31 Jan 87. We are now asking for the same Plan, but based on your 31 March 87 operating budget. In essence, your Plan will reflect actual DEC thru 31 March and how you plan to spend the remaining resources (the balance of your operating budget) over the next two quarters. The operating budget must agree with FRS as of 31 March 87. Please forward your Plan to the

ODA/MS by noon on 10 April. Data requested in Para 1, plus other data as reflected in the attachment to Reference, is DUE on 13 April 87. There is no extension to either deadline.

3. If you have any questions, please give me or Don a call.

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